



4004

ANNUAL REPORT

OF

Name: MOUNT HOREB TELEPHONE COMPANY

Principal Office: 200 E MAIN ST
P.O. BOX 65
MOUNT HOREB, WI 53572-0065

For the Year Ended: DECEMBER 31, 1999

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
 CO	.....	Central Office
 Depr	.....	Depreciation
 Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
 FOY	.....	First of Year
 Info	.....	Information
ITC	.....	Investment Tax Credit
 Misc	.....	Miscellaneous
 Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
 Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
 Prop	.....	Property
 Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
 Svcs	.....	Services
 Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
 Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: MOUNT HOREB TELEPHONE COMPANY
Utility Location: 200 E MAIN ST
P.O. BOX 65
MOUNT HOREB, WI 53572-0065

Utility Web Site Address:

When was utility organized?: 12/15/1919

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR JOHN A. KLARER
Title: GENERAL MANAGER

Office Address: 200 E MAIN ST
P.O. BOX 65
MT HOREB, WI 53572

Fax Number: (608) 437 - 8898
Telephone Number: (608) 437 - 5551
Email Address: JAK@MHTC.NET

Individual or firm, if other than utility employee, preparing this report

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: MR PAUL A. SUTTER
Title: ACCOUNTANT

Office Address: 200 E MAIN ST
P.O. BOX 65
MT HOREB, WI 53572

Fax Number: (608) 437 - 8898
Telephone Number: (608) 437 - 5551
Email Address: PAS@MHTC.NET

Person responsible for statistical information contained in report

Name: MR PAUL A. SUTTER
Title: ACCOUNTANT

Office Address: 200 E MAIN ST
P.O. BOX 65
MT HOREB, WI 53572

Fax Number: (608) 437 - 8898
Telephone Number: (608) 437 - 5551
Email Address: PAS@MHTC.NET

IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name:	NONE
Address:	NONE PO BOX 0000 NONE, WI 00000
Number of Shares Held:	
Beneficial Owner:	NONE

List companies owned, controlled, or operated and form and extent of such ownership, control or operation.

Company Name:	MH COMMUNICATIONS INC
Form of Interest:	100 % OWNED SUBSIDIARY
Extent Of Interest:	100% INTEREST

Company Name:	MH TELECOM INC
Form of Interest:	100 % OWNED SUBSIDIARY
Extent Of Interest:	100% INTEREST

Company Name:	PCS WISCONSIN LLC
Form of Interest:	MINORITY SHAREHOLDER
Extent Of Interest:	25% INTEREST

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	4,624,968	3,950,449	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	402,206	387,839	2
Plant Nonspecific Operations Expense	1,211,996	1,081,191	3
Customer Operations Expense (6610-6620)	556,999	468,506	4
Corporate Operations Expense (6710-6790)	476,183	414,815	5
Other Operating Income and Expense (7100)	0	0	6
Operating Taxes (7200)	818,419	599,700	7
Total Operating Expenses	3,465,803	2,952,051	8
Net Operating Income	1,159,165	998,398	9
Other Income			
Nonoperating Income and Expense (7300)	149,229	160,432	10
Nonoperating Taxes (7400)	(48,964)	8,325	11
Interest and Related Items (7500)	397,265	412,282	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	42,214	84,585	14
Total Nonoperating Income	(156,858)	(175,590)	15
Net Income	1,002,307	822,808	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

The accounting policies of the Company conform to generally accepted accounting principles. Management uses estimates and assumptions in preparing its financial statements. Those estimates and assumptions effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Telephone operations reflect practices appropriate to the telephone industry. The accounting records of the company are maintained in accordance with the Uniform System of Accounts for Class A and B Telephone Companies prescribed by the FCC as modified by the PSCW.

Telephone plant and other property are capitalized at original cost including: the capitalized cost of salaries and wages, materials, certain payroll taxes, and employee taxes, and employee benefits and interest incurred during the construction period.

The Company provides for depreciation for financial reporting purposes on the straight-line method by the application of rates, based on the estimated service lives of the various classes of depreciable property. Renewals and betterments of units of property are charged to telephone plant in service. When telephone plant is retired, its cost is removed from the asset account and charged against accumulated depreciation, together with removal cost less any salvage realized. No gains or losses are recognized in connection with routine retirements of depreciable property. Repairs and renewals of minor items of property are included in plant specific operations expense.

Income taxes are accounted for using a liability method and provide for the tax effects of transactions reported in the financial statements including both taxes currently due and deferred. Deferred taxes are adjusted to reflect deferred tax consequences at current enacted tax rates. Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred taxes arise from property and equipment and investments. The deferred tax assets and liabilities represent the future tax return consequences of those differences, which will either be taxable or deductible, when the assets and liabilities are recovered or settled. Investment tax credits, which were deferred prior to the Tax Reform Act of 1986, are being amortized over the life of the plant which produced the ITC.

Revenues are recognized when earned regardless of the period in which they are billed. Network access service revenues are derived from charges for access to the Company's local exchange network. The interstate portion of access revenues are based, in part, on cost separation procedures, except for traffic sensitive rates which are based on company tariffed rates, on file with the FCC. The intrastate portion of access revenues are billed on individual company tariff access charges approved by the PSCW.

Debt and marketable equity securities bought and held principally for selling in the near future are classified as trading securities and carried at fair value. Unrealized holding gains and losses on trading securities are reported in earnings. Debt and marketable equity

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

securities are reported in earnings. Debt and marketable equity securities classified as available for sale are carried at fair value with unrealized holding gains and losses recorded as a separate component of stockholders' equity. Debt securities for which the Company has both the positive intent and ability to hold to maturity are classified as held to maturity and carried at amortized cost. The Company uses the FIFO method of computing realized gains and losses. Nonmarketable equity investments, over which the Company has significant influence or a 20% ownership, are reflected on the equity method. Other nonmarketable equity investments are stated at cost.

2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None

3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

The mortgage to the United States of America, underlying the RUS and RTB notes, contains certain restrictions on the declaration or payment of cash dividends, redemption of capital stock, or investment in affiliated companies except as might be specifically authorized in writing in advance by the RUS and RTB noteholders.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	2,010,462	1,680,347	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	2,010,462	1,680,347	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	184,288	194,540	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	184,288	194,540	
Other Accounts Receivable (1190)*	710,121	296,079	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	710,121	296,079	
Notes Receivable (1200)*	75,000	75,000	10
Notes Receivable Allowance (1201)*		0	11
Net: Notes Receivable	75,000	75,000	
Interest and Dividends Receivable (1210)*	12,091	11,545	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	981,500	577,164	
SUPPLIES			
Inventories (1220)*	70,022	58,143	13
TOTAL SUPPLIES	70,022	58,143	
PREPAYMENTS			
Total Prepayments (1280)*	60,382	75,951	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	60,382	75,951	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	46,987	4,867	20
TOTAL OTHER CURRENT ASSETS	46,987	4,867	
TOTAL CURRENT ASSETS	3,169,353	2,396,472	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	1,246,862	375,600	21
RTB Class B Stock (1402)*	101,100	101,100	22
Other Investments in Nonaffiliated Companies (1402)*	930,259	889,171	23
Nonregulated Investments (1406)*	69,020	457,963	24
Unamortized Debt Issuance Expense (1407)*	3,127	3,301	25
Sinking Funds (1408)*		0	26

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*	37,435	27,699	27
TOTAL INVESTMENTS	2,387,803	1,854,834	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	0	0	28
Deferred Maintenance and Retirements (1438)*	0	0	29
Deferred Charges (1439)*	0	0	30
TOTAL DEFERRED CHARGES	0	0	
TOTAL NONCURRENT ASSETS	2,387,803	1,854,834	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	15,206,595	14,903,845	31
Less: Accumulated Depreciation (3100)*	7,209,761	6,291,226	32
Less: Accumulated Amortization--Capitalized Leases (3410)*	0	0	33
Less: Accumulated Amortization--Leasehold Improvements (3420)*	0	0	34
Less: Accumulated Amortization--Intangible (3500)*	0	0	35
NET TELECOMMUNICATIONS PLANT IN SERVICE	7,996,834	8,612,619	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	0	0	36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	0	0	37
NET PROPERTY HELD FOR FUTURE USE	0	0	
NONOPERATING PLANT			
Nonoperating Plant (2006)*	0	0	38
Less: Accumulated Depreciation--Nonoperating (3300)*	0	0	39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	123,424	194,015	40
TOTAL TPUC	123,424	194,015	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*	0	0	41
Less: Accumulated Amortization--Other (3600)*	0	0	42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	8,120,258	8,806,634	
TOTAL ASSETS AND OTHER DEBITS	13,677,414	13,057,940	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	374,515	229,950	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*	9,057	1,886	3
Customer Deposits (4040)*	0	0	4
Current Maturities--Long-Term Debt (4050)*	260,023	246,364	5
Current Maturities--Capital Leases (4060)*	0	0	6
Income Taxes--Accrued (4070)*	4,294	121,279	7
Other Taxes--Accrued (4080)*	(6,059)	(19,300)	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*	0	0	10
Other Accrued Liabilities (4120)*	67,273	63,123	11
Other Current Liabilities (4130)*	0	0	12
TOTAL CURRENT LIABILITIES	709,103	643,302	
LONG-TERM DEBT			
Funded Debt (4210)*	6,688,396	6,948,449	13
Premium on Long-Term Debt (4220)*	0	0	14
Discount on Long-Term Debt (4230)*	0	0	15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*	0	0	17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
TOTAL LONG-TERM DEBT	6,688,396	6,948,449	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*	100,849	65,025	20
Unamortized Operating ITC--Net (4320)*	0	57,000	21
Unamortized Nonoperating ITC--Net (4330)*	0	0	22
Net Noncurrent Deferred Operating Income Taxes (4340)*	277,427	264,994	23
Net Deferred Tax Liability Adjustments (4341)*	0	0	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(4,446)	525	25
Other Deferred Credits (4360)*	0	0	26
Deferred Tax Regulatory Liability (4361)*	0	0	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	373,830	387,544	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	1,200,000	1,200,000	28
Additional Paid-in Capital (4520)*	0	22,499	29
Treasury Stock (4530)*	5,612	94,613	30
Other Capital (4540)*	54,181	32,814	31
Retained Earnings (4550)*	4,657,516	3,917,945	32
TOTAL STOCKHOLDERS' EQUITY	5,906,085	5,078,645	
TOTAL LIABILITIES AND OTHER CREDITS	13,677,414	13,057,940	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

Residential service rate increased from \$15.50 to 16.50. Increase in annual revenues estimate, \$44268. Based on access lines as of 7-1-99.

2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

The Company adopted the American Institute of Certified Public Accountants, Accounting Standards Executive Committee, Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use.

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
MH Communications, Inc	MHCOM	1
MH Telecom, Inc	MHTELECOM	2
Other	OTH	3
PCS Wisconsin, LLC	PCSWI	4

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	3940AT103	Various	3940AT103	Various	
Name of Affiliate	MHCOM	MHCOM	MHTELECOM	MHTELECOM	1
Designate whether billed to or from:	FROM	TO	FROM	TO	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	M	CM	M	CM	3
Total Dollar Activity	18,284	48,734	6,000	445,463	4
Percent of affiliate's business billed to all affiliated regulated utilities	9.80		0.74		5
If cost based, rate of return on equity or markup incorporated in billings					6
Footnotes		H		I	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	206,965		1
Motor Vehicles	2112	223,496	26,467	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	105,329		6
Buildings	2121	775,439	32,081	7
Furniture	2122	30,166	13,465	8
Office Equipment	2123	38,189	0	9
General Purpose Computers	2124	135,704	44,678	10
TOTAL--GENERAL SUPPORT ASSETS:		1,515,288	116,691	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	2,281,372	84,466	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	1,256,073	230,517	16
TOTAL--CENTRAL OFFICE ASSETS:		3,537,445	314,983	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	2,718		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	0		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		2,718	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	5,795		22
Aerial Cable	2421	44,530	208	23
Underground Cable	2422	1,273,920	1,923	24
Buried Cable	2423	6,706,105	90,489	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	4,446	0	28
Aerial Wire	2431	2,878		29
Conduit Systems	2441	1,810,720	469	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		9,848,394	93,089	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			206,965	1
2112	19,683		230,280	2
2113			0	3
2114			0	4
2115			0	5
2116	2,643		102,686	6
2121			807,520	7
2122			43,631	8
2123	0	0	38,189	9
2124	58,425		121,957	10
	80,751	0	1,551,228	
2211			0	11
2212	66,264	0	2,299,574	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	74,178	0	1,412,412	16
	140,442	0	3,711,986	
2311			2,718	17
2321			0	18
2341			0	19
2351			0	20
2362			0	21
	0	0	2,718	
2411			5,795	22
2421	820	0	43,918	23
2422	0	0	1,275,843	24
2423	0	0	6,796,594	25
2424	0	0	0	26
2425			0	27
2426	0	0	4,446	28
2431			2,878	29
2441			1,811,189	30
	820	0	9,940,663	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	14,903,845	524,763
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	222,013	0	15,206,595	
2001			0	34
			15,206,595	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	27,886		1
Company Communications Equipment	2123.2	10,303		2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	2,281,372	84,466	4
Digital Switching - Remote	2212.3	0		5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	148,427	11,016	10
Analog Circuit Equipment	2232.2	0		11
Light Wave Circuit Equipment	2232.3	1,107,646	219,501	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	44,530	208	14
Underground Cable - Nonmetallic	2422.1	253,993		15
Underground Cable - Metallic	2422.2	1,019,927	1,923	16
Buried Cable - Nonmetallic	2423.1	1,468,853	4,241	17
Buried Cable - Metallic	2423.2	5,237,252	86,248	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	4,446		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)
(cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			27,886	1
2123.2			10,303	2
2212.1			0	3
2212.2	66,264		2,299,574	4
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1			159,443	10
2232.2			0	11
2232.3	74,178		1,252,969	12
2421.1			0	13
2421.2	820		43,918	14
2422.1			253,993	15
2422.2			1,021,850	16
2423.1			1,473,094	17
2423.2			5,323,500	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			4,446	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	129,628	20.0	19,222	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	106,361	10.0		5D
Buildings	2121	352,773	3.4	26,738	6
Furniture	2122	16,717	8.3	4,428	7
Office Equipment	2123	26,190	16.35	6,813	8
General Purpose Computers	2124	98,237	22.5	31,359	9
Total-- GENERAL SUPPORT ASSETS		729,906		88,560	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	1,964,128	8.5	197,661	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	388,607	9.3348	126,773	15
Total-- CENTRAL OFFICE ASSETS		2,352,735		324,434	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	2,718			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	0			19
Other Terminal Equipment	2362	0			20
Total-- INFORMATION ORIG/TERM ASSETS		2,718		0	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	1,767	11.67	676	21
Aerial Cable	2421	10,742	6.0	2,674	22
Underground Cable	2422	427,324	8.502	108,405	23
Buried Cable	2423	2,318,985	8.0663	543,546	24D
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	2,136	6.5	289	27
Aerial Wire	2431	2,878	16.0		28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	442,035	3.48	63,017	29
Total-- CABLE WIRE FACILITIES ASSETS		3,205,867		718,607	0
Total Accumulated Depreciation	3100	6,291,226		1,131,601	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100					
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	19,683		8,017		137,184	1
2113					0	2
2114					0	3
2115					0	4
2116	2,643			(1,032)	102,686	5 D
2121					379,511	6
2122					21,145	7
2123	0				33,003	8
2124	58,425		1,900		73,071	9
	80,751	0	9,917	(1,032)	746,600	
2211					0	10
2212	66,264				2,095,525	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	74,178				441,202	15
	140,442	0	0	0	2,536,727	
2311					2,718	16
2321					0	17
2341					0	18
2351					0	19
2362					0	20
	0	0	0	0	2,718	
2411					2,443	21
2421	820	970			11,626	22
2422	0				535,729	23
2423	0			1,032	2,863,563	24 D
2424	0				0	25
2425					0	26
2426	0				2,425	27
2431					2,878	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					505,052	29
	820	970	0	1,032	3,923,716	
3100	222,013	970	9,917	0	7,209,761	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)	
Office Support Equipment	2123.1	19,331	15.0	4,183		1
Company Communications Equipment	2123.2	6,859	20.0	2,630		2
Software	2212.1	0				3
Digital Switching - Central Office	2212.2	1,964,128	8.5	197,661		4
Digital Switching - Remote	2212.3	0				5
Step by Step Switching	2215.1	0				6
Crossbar Switching	2215.2	0				7
Satellite and Earth Station Facilities	2231.1	0				8
Other Radio Facilities	2231.2	0				9
Digital Circuit Equipment	2232.1	94,399	12.0	18,143		10
Analog Circuit Equipment	2232.2	0				11
Light Wave Circuit Equipment	2232.3	294,208	9.0	108,630		12
Aerial Cable - Nonmetallic	2421.1	0				13
Aerial Cable - Metallic	2421.2	10,742	6.0	2,674		14
Underground Cable - Nonmetallic	2422.1	67,584	6.5	16,508		15
Underground Cable - Metallic	2422.2	359,740	9.0	91,897		16
Buried Cable - Nonmetallic	2423.1	322,403	6.5	95,515		17
Buried Cable - Metallic	2423.2	1,996,582	8.5	448,031		18 D
Submarine Cable - Nonmetallic	2424.1	0				19
Submarine Cable - Metallic	2424.2	0				20
Intrabuilding Cable - Nonmetallic	2426.1	0				21
Intrabuilding Cable - Metallic	2426.2	2,136	6.5	289		22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					23,514	1
2123.2					9,489	2
2212.1					0	3
2212.2	66,264				2,095,525	4
2212.3					0	5
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1					112,542	10
2232.2					0	11
2232.3	74,178				328,660	12
2421.1					0	13
2421.2	820	970			11,626	14
2422.1					84,092	15
2422.2					451,637	16
2423.1					417,918	17
2423.2				1,032	2,445,645	18 D
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					2,425	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	3,917,945	3,359,113	1
Changes:			
Balance Transferred from Income	1,002,307	822,808	2
Dividends Declared:			
Common	285,235	263,976	3
Preferred		0	4
Total Dividends Declared	285,235	263,976	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings	22,499	0	6
Balance--End of Year	<u>4,657,516</u>	<u>3,917,945</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	2,000,669	1,692,526	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	2,000,669	1,692,526	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	218,771	205,132	11
Switched Access Revenue (5082)*	925,202	873,202	12
Special Access Revenue (5083)*	96,285	86,374	13
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,240,258	1,164,708	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	679,839	630,116	15
Special Access Revenue (5084.3)*	294,732	181,524	16 E
TOTAL INTRASTATE ACCESS REVENUES (5084)	974,571	811,640	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	0		17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	0	0	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	141,095	140,695	30
Rent Revenue (5240)*	69,854	36	31 F
Corporate Operations Revenue (5250)*			32
Miscellaneous:			
Miscellaneous Revenue (5260)*	9,033	6,941	33
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)			37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	9,033	6,941	
Interstate Billing and Collection Revenue*	41,938	40,397	39
Intrastate Billing and Collection Revenue*	149,030	93,129	40 G
Total Carrier Billing and Collection Revenue (5270)*	190,968	133,526	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	410,950	281,198	
GROSS OPERATING REVENUES	4,626,448	3,950,072	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	1,480	(377)	42
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	1,480	(377)	
TOTAL OPERATING REVENUES	4,624,968	3,950,449	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	2,727	2,426	1
Less: Nonregulated		0	2
Net Regulated	2,727	2,426	3
Total General Support Expense (6120)	84,118	62,393	4
Less: Nonregulated		0	5 K
Net Regulated	84,118	62,393	6
Total Central Office Switching Expense (6210)	103,145	179,747	7
Less: Nonregulated		0	8 A
Net Regulated	103,145	179,747	9
Total Operator Systems Expense (6220)	0	0	10
Less: Nonregulated		0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	34,000	25,432	13
Less: Nonregulated		0	14
Net Regulated	34,000	25,432	15
Total Information Orig. / Term. Expense (6310)	0	0	16
Less: Nonregulated		0	17
Net Regulated	0	0	18
Total Cable and Wire Fac. Expense (6410)	178,216	117,841	19
Less: Nonregulated		0	20 B
Net Regulated	178,216	117,841	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	402,206	387,839	
Less: Nonregulated	0	0	
Net Regulated	402,206	387,839	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	0	0	22
Less: Nonregulated		0	23
Net Regulated	0	0	24
Total Network Operations Expense (6530)	41,923	39,274	25
Less: Nonregulated		0	26
Net Regulated	41,923	39,274	27
Access Expense (6540)	38,472	23,125	28
Less: Nonregulated		0	29 c
Net Regulated	38,472	23,125	30
Total Depreciation and Amortization Expense (6560)	1,131,601	1,018,792	31
Less: Nonregulated		0	32
Net Regulated	1,131,601	1,018,792	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	1,211,996	1,081,191	
Less: Nonregulated	0	0	
Net Regulated	1,211,996	1,081,191	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	5,393	4,629	34
Less: Nonregulated		0	35
Net Regulated	5,393	4,629	36
Total Services (6620)	551,606	463,877	37
Less: Nonregulated		0	38
Net Regulated	551,606	463,877	39
TOTAL CUSTOMER OPERATIONS EXPENSE	556,999	468,506	
Less: Nonregulated	0	0	
Net Regulated	556,999	468,506	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	129,548	108,710	40
Less: Nonregulated		0	41
Net Regulated	129,548	108,710	42
Total General and Administrative (6720)	346,635	306,105	43
Less: Nonregulated		0	44
Net Regulated	346,635	306,105	45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	476,183	414,815	
Less: Nonregulated	0	0	
Net Regulated	476,183	414,815	
TOTAL EXPENSES	2,647,384	2,352,351	
Less: Nonregulated	0	0	
Net Regulated	2,647,384	2,352,351	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)	0	0	1
Provisioning Expense (6512)	0	0	2
Total: Reported in Account 6510	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	1,131,601	1,018,792	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)		0	4
Amortization Expense--Tangible (6563)		0	5
Amortization Expense--Intangible (6564)		0	6
Amortization Expense--Other (6565)		0	7
Total: Reported in Account 6560	1,131,601	1,018,792	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	4,626,448	1
Plus: Collection of amounts previously written off	8,669	2
Less: Uncollectibles written off during the year	10,149	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): none	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>4,624,968</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,000,669	1
Plus: Total Intrastate Access Revenues (5084)	974,571	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues	11,697	5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>2,986,937</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	4,626,448	1
Plus: Collection of amounts previously written off	8,669	2
Less: Uncollectibles written off during the year	10,149	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): none	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>4,624,968</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	2,000,669	1
Plus: Total Intrastate Access Revenues (5084)	974,571	2
Plus: Total Long Distance Network Services Revenue	0	3
Less: Out-of-State Operating Revenues (included in the above lines)	0	4
Plus: Intrastate Payphone Revenues	11,697	5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>2,986,937</u>	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	0	0	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	(57,000)	(57,000)	2
Operating Federal Income Taxes (7220)	485,382	369,897	3
Operating State and Local Income Taxes (7230)	111,167	89,361	4
Operating Other Taxes (7240)	273,621	234,940	5
Provision for Deferred Operating Income Taxes--Net (7250)	5,249	(37,498)	6
TOTAL OPERATING TAXES (7200)	818,419	599,700	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)			7
Interest Income (7320)	132,235	127,670	8
Income from Sinking and Other Funds (7330)			9
Allowance for Funds Used During Construction (7340)	5,461	12,582	10
Gains or (Losses) from the Disposition of Certain Property (7350)			11
Other Nonoperating Income (7360)	18,564	26,969	12
Special Charges (7370)	7,031	6,789	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	149,229	160,432	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	(48,964)	8,325	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	397,265	412,282	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)	0	0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	42,214	84,585	17

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

Nonregulated Activity (a)	
CUSTOMER PREMISES EQUIPMENT	1
INSIDE WIRE	2
INTERNET ACCESS	3
PAYPHONES	4
SATELLITE TELEVISION PROGRAMMING	5

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	229	1,834	1
Extended Area Service	252	2,197	2
Extended Community Calling	43	163	3
Other Local-Undefined			4
Total Local	524	4,194	
TOLL			
Toll	432	2,160	5
Total Toll	432	2,160	
Total Local & Toll	956	6,354	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.					2
Feature Group B -- Orig.	2				3
Feature Group B -- Term.					4
Feature Group C -- Orig.			1,435	1	5
Feature Group C -- Term.			1,335	1	6
Feature Group D -- Orig.	3,444	1,803	1,471	2	7
Feature Group D -- Term.	6,116	4,022			8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	66	1
Strand miles of plant - fiber optics	1,671	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	0	10	1 J
56 kbps	7	5	2
64 kbps (DS0)	0	0	3 J
1.54 Mbps (DS-1)	5	12	4
45 Mbps (DS-3)	0	0	5 J
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
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Strand miles of plant - fiber optics	1,671	2
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45 Mbps (DS-3)	0	0	5 J
SONET OC-1			6
SONET OC-3			7
SONET OC-12			8
SONET OC-48			9
SONET OC-192			10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	834	866	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks			6
Centrex Trunks			7
Centrex Lines			8
Key System Trunks			9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)			11
FX-Out (Switched)	4	4	12
Pay Telephone	31	27	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	5	6	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other			19
Total Business Lines	874	903	20
Residential (Incl. Emp. Concess.)			
1 Party	3,630	3,827	22
2 Party			23
4 Party			24
FX-Out (Switched)	7	7	25
Other			26
Total Residential Lines	3,637	3,834	27
Total Bus & Res Lines	4,511	4,737	28
Company Used Lines	60	58	29
Total Lines Used	4,571	4,795	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS			3
WATS Lines - 800 Service			4
FX-In-intraLATA	7	7	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	140	303	7
Special Access-interLATA			8
(expressed in equiv. access lines)	83	127	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks			12
Feature Group D Trunks	192	216	13
TSPS - Trunks	7	7	14
EAS - Trunks	316	364	15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning			17
- discounted (special tariff)			18
Customers			
Business - 2 Party Customers			19
Business - 4 Party Customers			20
Residential - 2 Party Customers			21
Residential - 4 Party Customers			22
Other			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical			24
location of plant)	13,388,557	13,655,367	25
Total Company Square Miles	101	101	26
Total Company Route Miles	367	374	27
Footnotes			28
			29
			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	3570				1
Business					2
1 Party	866				3
2 Party					4
4 Party					5
PBX Trunks/System Trunks					6
Centrex Trunks					7
Centrex Lines					8
Key System Trunks					9
Mobile (utility provided service)					10
Paging (utility provided service)					11
FX-Out (Switched)	4				12
Pay Telephone	27				13
Coin-Operated Pay Telephone	0				14
Independent Pay Telephone Provider	6				15
Pay Stations - Public	0				16
- Semi-Public	0				17
- Cust. Owned	0				18
Other					19
Total Business Lines	903	0	0	0	20
Residential (Incl. Emp. Concess.)					21
1 Party	3,827				22
2 Party					23
4 Party					24
FX-Out (Switched)	7				25
Other					26
Total Residential Lines	3,834	0	0	0	27
Total Bus & Res Lines	4,737	0	0	0	28
Company Used Lines	58				29
Total Lines Used	4,795	0	0	0	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	3570				1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA	7				5
Special Access-intraLATA (equiv. access lines)	303				6
Special Access-interLATA (equiv. access lines)	127				7
Feature Group A Lines					8
Feature Group B Trunks					9
Feature Group C Trunks					10
Feature Group D Trunks	216				11
TSPS - Trunks	7				12
EAS - Trunks	364				13
Cellular Trunks (Pub. Sw. Net.)					14
Video Distance Learning - discounted (special tariff)					15
Customers					16
Business - 2 Party Customers					17
Business - 4 Party Customers					18
Residential - 2 Party Customers					19
Residential - 4 Party Customers					20
Other					21
Exchange C.O., Info. Orig./Term., & Cable Wire Fac. Assets (based on physical location of plant)	13,655,367				22
Exchange Square Miles	101				23
Exchange Route Miles	374				24
Footnotes					25

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

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Electronic--Digital	D	3
Electronic--Video	V	4

CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	MOUNT HOREB				1
PSCW Exchange ID	3570				2
Central Office Name	MOUNT HOREB				3
PSCW Central Office ID	1				4
Manufacturer of COE (Page 54)	GTE				5
Year COE Installed	1984				6
Type of Equipment (Page 54)	D				7
(S)tandalone, (H)ost, (R)emote	S				8
Remote Host PSCW Exchange ID					9
Remote Host PSCW Central Office ID	0				10
COE Generic Software Release No.	1400				11
SS7?	Yes				12
9-1-1?	Yes				13
Access Lines - In Use	4,795				14
- Equipped	5,260				15
- Wired	5,376				16
Trunks - In Use	729				17
- Equipped	816				18
- Wired	1,536				19
ISDN Available?	No				20
ISDN Lines - In Use (BRI)	0				21
- In Use (PRI)	0				22
Switched 56 Service?	No				23
Switched 56 lines in use	0				24
Digital Transmission Facilities: DS-1 - In Use	23				25
DS-3 - In Use	0				26
Advanced Data Service Available:					
Packet Switching?	No				27
SMDS?	No				28
Frame Relay?	No				29
ATM (Asynchronous Trans. Mode)?	No				30
Video Information - Service Available?	No				31
- In Use (# lines) ¹	0				32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	216				33
No. of fiber strands working (LIT) in C.O.	68				34
No. of fiber strands for interoffice use	36				35
Miles of fiber sheath in wire center	66				36
Access Tandem Serving this C.O.:					
- C.O. Name	MADISON				37
- PSCW C.O. ID	3080-01				38
Does this C.O. do access tandem switching?	No				39
Equal Access: InterLATA (1+)?	Yes				40
Equal Access: IntraLATA (1+)?	Yes				41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- A) The decrease is the result of a reduction in software and right to use expense. These expenses totaled \$94,985 in 1998 and \$28,195 in 1999.
- B) Account 6423.1 increased due to costs incurred to upgrade our outside plant records and software. 1999 expenditures for upgrades totaled 42,603.
- C) Increase due to teach assessment increase.
- D) To transfer excess accumulated depreciation.
- E) Revenue increase is the result of adding an OC12 customer in 1999 and an increase in T1 circuits.
- F) Effective 1/1/99, the Company began booking revenues associated with affiliate and nonregulated general support asset usage to rent revenue.
- G) Effective 1/1/99, the Company began booking affiliate and nonregulated billing and collection revenue to 5270.
- H) 3940-AT-102, 3940-AT-103, 05-AT-132
 - I) 3940-AT-103, 05-AT-132
- J) Zero value indicates zero circuits at year end.
- K) Increase due to office space rental of \$10,020, repairs to air and heating system of \$4,646, and exterior painting of buildings of \$2,697.